

status unknown” (8 percent). Nearly 5 percent of dropouts were related to student suspension and incarceration.

North Carolina is ranked 45<sup>th</sup> in the nation in the percent of ninth graders who graduate four years later, with only 41 percent entering college and 19 percent graduating with an associate or bachelor degree within six years. (*Source: National Center for Public Policy and Higher Education, 2004*)

Furthermore, our state’s dropout rate has a tremendous impact on our economy and society. A high school dropout in 2000 had less than a 50 percent chance of getting a job. That figure drops to 25 percent for African-American students. The dropout’s job will earn less than half of what the same job earned 20 years ago. Wages are increasing only for those with at least a college education, and a lack of education is increasingly correlated with incarceration and a dependence on welfare. (*Source: School Redesign Network, 2002*)

State legislators and Governor Mike Easley have initiated several new programs in recent years aimed at increasing high school graduation rates and encouraging more students to attend college. The *Learn and Earn* early college high schools initiative provides high school students the opportunity to graduate in five years with a high school diploma and an associate’s degree or two years of college credit. Legislators have approved funding for 33 *Learn and Earn* high schools that are currently in operation across the state. Twenty additional *Learn and Earn* schools are slated to open in 2007.

During this year’s session, legislators approved an extra \$27 million for the Disadvantaged Students Supplemental Fund, \$42 million for low-wealth schools, and restored \$44 million in discretionary cuts approved during the state’s economic recession and budget shortfalls in recent years. This new funding, coupled with more than \$150 million provided during the last several years to these schools, will help struggling students stay in school and increase our graduation rate.

In September 2003, with the support of the Bill & Melinda Gates Foundation, North Carolina launched the New Schools Project to assist in the creation of small, economic development-themed high schools across the state. The smaller high schools focus on growing economies and job sectors by offering classes in health care, computer technology, biotech and engineering based on a student’s interests and possible future career. Currently, 25 new schools are open across the state with plans to open 10 more in 2007. The Bill & Melinda Gates Foundation has awarded more than \$20 million in grants to fund this new program.

Last month, Easley launched a statewide effort to conduct performance audits in all 115 school districts to ensure accountability and the smart, targeted use of resources in the state’s public high schools. The State Board of Education and the N.C. Department of Public Instruction are working with the UNC-Chapel Hill School of Education to examine student achievement data and spending patterns from high schools across the state. The information will be used to contrast the resources in low-performing high schools with higher performing schools that educate similar populations of students. Researchers will then conduct site visits in districts with low-performing high schools to identify how they can better use resources to increase student achievement.